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Proposed Counsel for The Original Mowbray's  
Tree Service, Inc., Debtor and Debtor-In-  
Possession

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**SANTA ANA DIVISION**

In re

THE ORIGINAL MOWBRAY'S TREE  
SERVICE, INC., a Delaware corporation

Debtor and  
Debtor-in-Possession.

Case No. 8:24-bk-12674-TA

Chapter 11

**DEBTOR'S EMERGENCY MOTION  
FOR ORDER AUTHORIZING  
DEBTOR TO CONTINUE  
INSURANCE PROGRAMS, HONOR  
TERMS OF PREMIUM FINANCING  
AGREEMENTS, SATISFY RELATED  
PRE-PETITION OBLIGATIONS AND  
GRANTING RELATED RELIEF; AND  
MEMORANDUM OF POINTS AND  
AUTHORITIES**

**[Declaration of Ruben Sainos Filed  
Concurrently Herewith]**

**[Hearing to be Set]**

1 **TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY**  
2 **JUDGE:**

3 The Original Mowbray's Tree Service, Inc., the debtor and debtor-in-possession in the  
4 above-captioned case (the "**Debtor**"), hereby files this *Emergency Motion for Order*  
5 *Authorizing Debtor to Continue Insurance Programs, Honor Terms of Premium Financing*  
6 *Agreements, Satisfy Related Pre-Petition Obligations and Granting Related Relief* (the  
7 "**Motion**"). In support of the Motion, the Debtor submits the following memorandum of  
8 points and authorities and the concurrently filed *Declaration of Ruben Sainos in Support of*  
9 *Chapter 11 Petition and First Day Pleadings* ("**Sainos Declaration**" or "**First Day**  
10 **Declaration**").

11  
12 **I. INTRODUCTION**

13 Prior to the October 18, 2024 petition date (the "**Petition Date**"), the Debtor  
14 maintained a comprehensive range of insurance protection for the Debtor's business,  
15 properties, and assets. The Debtor also financed some of the insurance premiums pursuant to  
16 Premium Finance Agreements (as defined below). It is essential, and required by the U.S.  
17 Trustee Guidelines, that the Debtor continues its insurance coverage during this case.  
18 Accordingly, by this Motion, the Debtor seeks entry of an order authorizing the Debtor to  
19 maintain its insurance policies and practices, including financing insurance premiums under  
20 the Premium Financing Agreements, consistent with its pre-petition ordinary course of  
21 business practice that was in effect as of the Petition Date, and to pay, in its sole discretion,  
22 amounts that may come due post-petition in connection therewith regardless of whether such  
23 obligations accrued pre-petition or post-petition.

24 The next payments under certain of the Insurance Policies (as defined below) or  
25 Premium Financing Agreements are due within 21 days of the Petition Date, and therefore, the  
26 Debtor is seeking expedited relief.

1 Accordingly, and as further detailed below, the Debtor respectfully requests that the  
2 Court grant the Motion.

3 **II. BACKGROUND**

4 **A. General Background**

5 On the date hereof (the "**Petition Date**"), the Debtor filed a voluntary petition for  
6 relief under chapter 11 of the Bankruptcy Code commencing the above-captioned chapter  
7 11 case (the "**Chapter 11 Case**" or "**Case**"). The Debtor is operating as the debtor in  
8 possession pursuant to §§1107(a) and 1108 of the Bankruptcy Code. No request for the  
9 appointment of a trustee or examiner has been made in this Case and no official committees  
10 have been appointed or designated.

11 A more fulsome discussion of the Debtor's operations, structure, and liabilities, and the  
12 events leading to the commencement of this Case are set forth in the Sainos Declaration, which  
13 is incorporated herein by reference. The following is a shorter version of the discussion in the  
14 Sainos Declaration.

15 Established in 1972 by Gloria and John Mowbray (the "**Founders**"), Mowbray's has  
16 been a cornerstone in California for providing vegetation management services for over 50  
17 years. Mowbray's began as a modest venture and has grown into a resilient company,  
18 dedicated to safeguarding communities and the environment. Mowbray's continues to be a  
19 family owned and operated business, is a member of WMBE (Women and Minority Business  
20 Enterprise), and is committed to providing its client-partners with the safest and most efficient  
21 solution to their vegetation management needs.

22 John Mowbray suffered a catastrophic brain injury on the job in 1993, leaving him  
23 incapacitated. Gloria Mowbray stepped up to manage the business while also caring for John  
24 and raising four children on her own. Gloria Mowbray passed away in April 2021. Gloria  
25 Mowbray was the sole shareholder of the Debtor from 1993 until her passing, at which time  
26 Robin Mowbray, her daughter, became the sole shareholder of the Debtor.

1 The services provided by the Debtor include, without limitation, manual and  
2 mechanical clearing, integrated vegetation management, storm and emergency, right-of-way  
3 maintenance, and high-hazard tree removal and crane services (collectively, "**Vegetation**  
4 **Management Services**"). Tree-trimming around power lines, clearing vegetation to prevent  
5 forest fires, removal of debris and charred remains after major wildfires in California, and  
6 assisting with damage remediation in response to hurricanes—these are the types of important  
7 services that the Debtor provides to the communities in which it serves. Historically, utility  
8 companies have been the Debtor's primary clients, including California's largest energy utility,  
9 PG&E as well as Southern California Edison. The Debtor also provides services to  
10 governmental agencies and cooperatives.

11 The Debtor is based in California and provides Vegetation Management Services  
12 throughout the state. The Debtor also provides services and has an equipment yard in Ft.  
13 White, Florida. The Debtor's work outside of California has recently expanded in magnitude  
14 and scope due to the disaster relief efforts in response to Tropical Storm Helene and Hurricane  
15 Milton. The Debtor's services in Florida have increased and the Debtor has recently begun  
16 providing services in North Carolina as well. The Debtor has mobilized multiple trucks and  
17 crews for FEMA in both North Carolina and Florida.

18 The Debtor is currently owned by Robin Mowbray, the youngest daughter of the  
19 Founders. Since 2021, Ms. Mowbray has been the Chairwoman of the Debtor's Board.  
20 Richard Mowbray (grandson of the Founders) has been the Debtor's Chief Executive Officer  
21 since 2020. Ruben Saines has served as the Debtor's CFO for approximately a year. Prior to  
22 the Petition Date, the Debtor retained Brian Weiss of Force 10 Partners as its Chief  
23 Restructuring Officer ("**CRO**") to lead the Debtor through its formal restructuring process,  
24 including this Case.

25 **B. The Insurance Programs**

26 In connection with the operation of its business, the Debtor maintains various  
27 insurance policies and programs (collectively, the "**Insurance Programs**") through certain  
28

1 insurance carriers (the "**Insurance Carriers**"), including the following coverages: (a)  
2 Property; (b) General Liability; (c) Auto; (d) Officer & Director; (e) Cyber; and (f) Excess.

3 The Debtor is required to pay premiums based upon a fixed rate established by the  
4 Insurance Carriers. Generally, the premiums for these policies are determined annually and  
5 are either (1) directly billed to the Debtor in installments or (2) financed by the Debtor  
6 pursuant to a premium finance agreement. Attached hereto as **Exhibit 1** is a chart that shows  
7 the insurance coverage, Insurance Carriers, policy periods, and payment amounts due by the  
8 Debtor under the policies directly or through financing. The Debtor believes that it is current  
9 on pre-petition premiums billed with respect to the Insurance Programs, and certain policies'  
10 premiums have already been paid in full. To the extent there is an outstanding insurance  
11 policy premium which may cover a portion of the pre-petition period, however, the Debtor  
12 seeks authority to pay such premium in the ordinary course as such payments are necessary to  
13 keep the Insurance Programs in force.

14 The Debtor is currently party to three (3) insurance premium financing agreements  
15 (the "**Premium Financing Agreements**") whereby certain of the Debtor's Insurance Programs  
16 (the "**Financed Policies**") are financed with one or more premium finance companies (each, a  
17 "**Premium Finance Company**"). Copies of Premium Financing Agreements with respect to  
18 the Debtor's Financed Policies are attached hereto as **Exhibit 2**. Pursuant to the terms of the  
19 Premium Financing Agreements, the Debtor makes a down payment contemporaneously with  
20 the execution of the Premium Financing Agreement and then makes monthly installment  
21 payments to the Premium Finance Company. The Premium Finance Company typically is  
22 granted a security interest in, inter alia, unearned premiums that would otherwise be returned  
23 to the Debtor in the event of policy cancellation. In the event of default, any affected  
24 Premium Finance Company could seek relief from the automatic stay in order to exercise its  
25 rights under the applicable Premium Finance Agreement and terminate the financed policies.

26 The Debtor is legally required to maintain policies and programs to provide employees  
27 with workers' compensation benefits. The Debtor is also required by contractual obligations  
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1 with customers to have certain general liability insurance, as well as excess and fire. The  
2 Debtor seeks authorization to pay insurance policies relating to workers' compensation  
3 pursuant to the *Motion of Debtor For Entry of Order Authorizing Payment of Certain Pre-*  
4 *Petition Employee-Related Claims and Granting Related Relief* (the "**Employee Motion**"),  
5 filed contemporaneously herewith. Further details regarding workers' compensation benefits  
6 provided by the Debtor and the related policies can be found in the Employee Motion.

7 The Debtor believes that the coverage types, levels, and premiums for these Insurance  
8 Policies and payments under the Premium Finance Agreements are typical for comparably-  
9 sized companies in the Debtor's industry.

10 Pre-petition, certain Insurance Carriers (not the subject of this Motion) drew against  
11 letters of credit issued by the Debtor's lender, PNC Bank, because such letters of credit were  
12 set to expire. The Debtor reserves all rights and remedies with respect to such Insurance  
13 Carriers and the pre-petition draws against the letters of credit.

### 14 15 **III. JURISDICTION AND VENUE**

16 The United States Bankruptcy Court for the Central District of California (the  
17 "**Court**") has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is  
18 proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28  
19 U.S.C. § 157(b)(2) and may be determined by the Court.

20 The statutory bases for the relief requested herein are sections 105(a) and 363 and  
21 503(b) of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rules 6003 and  
22 6004 of the Federal Rules of Bankruptcy Procedures (the "**Bankruptcy Rules**").

### 23 24 **IV. REQUESTED RELIEF**

25 To ensure that the Debtor is in compliance with § 1112(b)(4)(C) of the Bankruptcy  
26 Code, applicable state and federal regulations, and the U.S. Trustee Guidelines, by this  
27 Motion, the Debtor respectfully requests the authority to continue to honor obligations arising  
28

1 under the Insurance Programs and Premium Finance Agreements on an uninterrupted basis,  
2 including paying, when due (whether accrued pre-petition or post-petition) in the ordinary  
3 course of the Debtor's business, all premiums, administrative fees, amounts due under the  
4 Premium Financing Agreements and other insurance obligations (collectively, the "**Insurance**  
5 **Obligations**") and, if necessary, to renew, supplement, or purchase insurance coverage of  
6 insurance premium financing on a post-petition basis in the ordinary course of business.

7 Certain of the Debtor's Insurance Policies either involve deductible amounts or a self-  
8 insured retention for each claim that is submitted. To the extent a deductible payment, self-  
9 insured retention payment, or reimbursement relating to a period prior to the Petition Date is  
10 outstanding with respect to any of the insurance policies, the Debtor seeks authority, in its  
11 discretion, to make such payments in the same manner that such payments were made prior to  
12 the Petition Date.

13  
14 **V. LEGAL STANDARD**

15 Under § 1112(b)(4)(C) of the Bankruptcy Code, "failure [of a debtor] to maintain  
16 appropriate insurance [where such failure] poses a risk to the estate or to the public" is "cause"  
17 for mandatory conversion or dismissal of a chapter 11 case. *See* 11 U.S.C. § 1112(b)(4)(C).  
18 Similarly, certain of the Insurance Policies are required by state and federal regulations. In  
19 addition, the U.S. Trustee Guidelines require that a debtor "shall maintain" certain types of  
20 insurance coverage following the Petition Date. *See* U.S. Trustee Guidelines, § 1.E.

21 This Court has the authority to grant the relief requested herein pursuant to §§ 105(a)  
22 and 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides  
23 "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary  
24 course of business, property of the estate." 11 U.S.C. § 363(b)(1). Moreover, § 105(a) of the  
25 Bankruptcy Code allows the Court to authorize payments on account of certain pre-petition  
26 claims when necessary. Section 105(a) of the Bankruptcy Code provides, in relevant part, that  
27 "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry  
28

1 out the provisions of this title." 11 U.S.C. § 105(a). Allowing a debtor to honor pre-petition  
2 obligations under § 105(a) authority is appropriate where, as here, doing so is consistent with  
3 the "two recognized policies" of chapter 11 of the Bankruptcy Code – preserving going  
4 concern value and maximizing property available to satisfy creditors. *See Bank of Am. Nat'l*  
5 *Trust & Sav. Assoc. v. 203 N. LaSalle St. P'Ship*, 526 U.S. 434, 453 (1999).

6 Bankruptcy courts have authorized a debtor to maintain pre-petition insurance  
7 programs pursuant to §§ 363(b) and 105(a) where, as here, a sound business justification  
8 exists. *See, e.g., In re Foamex Int'l. Inc.*, Case No. 05-12685 (PJW) (Bankr. D. Del. Sept. 21,  
9 2005); *In re Allied Holdings, Inc.*, Case Nos. 05-12515 – 05-12537 (Bankr. N.D. Ga. 2005);  
10 *In re Centennial HealthCare Corp.*, Case No. 02-74974 (Bankr. N.D. Ga. 2002) (authorizing  
11 debtors to maintain existing insurance programs); *In re WestPoint Stevens, Inc.*, Case No. 03-  
12 13532 (Bankr. S.D.N.Y. 2003); *In re WorldCom, Inc.*, Case No. 02-13533 (Bankr. S.D.N.Y.  
13 2002); *In re Community Provider of Enrichment Servs., Inc.*, Case No. 9:02-bk-10554-DS,  
14 Docket No. 158 (Bankr. C.D. Cal. June 4, 2020); *In re Air Force Village West Inc.*, Case No.  
15 6:19-bk-11920-SC, Docket No. 105 (Bankr. C.D. Cal. Mar. 19, 2010).

16  
17 **VI. CONTINUANCE OF THE INSURANCE PROGRAMS IS IN THE BEST**  
18 **INTEREST OF THE ESTATE**

19 The continued uninterrupted maintenance of the Insurance Programs is essential to the  
20 continued operation of the Debtor's business and its efforts to reorganize. The failure to pay  
21 Insurance Obligations when due may affect the Debtor's ability to maintain or renew the  
22 Insurance Policies and could lead to the termination of Insurance Programs. If the Insurance  
23 Policies and Programs are allowed to lapse or are otherwise terminated, the Debtor and the  
24 estate could be exposed to substantial liability for any damages resulting to persons and the  
25 Debtor's property, which exposure could have an extremely negative impact on the Debtor's  
26 ongoing business operations. Such a result would also place the estate's assets at risk. At a  
27 minimum, the Debtor may be required to obtain replacement insurance on an expedited basis,  
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1 and the Debtor may be unable to find alternative insurance coverage at comparable cost, if at  
2 all. Even if these Insurance Carriers were not permitted to terminate the agreements, any  
3 interruption of payment would have an adverse effect on the Debtor's ability to obtain future  
4 policies at reasonable rates.

5 The amounts the Debtor proposes to pay with respect to the Insurance Programs are  
6 minimal in light of the size of the Debtor's estate and the potential exposure of the Debtor,  
7 absent insurance coverage. As reflected in the Budget attached to the Sainos Declaration, the  
8 Debtor has sufficient liquidity to pay the amounts delineated in this Motion in the ordinary  
9 course of business and has implemented controls to ensure that pre-petition claims will not be  
10 paid except as authorized by this Court.

11 Therefore, it is critical that the Debtor continue to maintain its Insurance Programs on  
12 an uninterrupted basis and be permitted to pay any obligations in the ordinary course of  
13 business and consistent with pre-petition practices.

14 Given the crucial nature of the Debtor's insurance coverage, the Debtor submits that  
15 similar relief is appropriate in this Chapter 11 Case.

16 Based on the foregoing, the Debtor submits the relief requested is necessary and  
17 appropriate, is in the best interests of its estate and creditors, and should be granted in all  
18 respects.

19  
20 **VII. CAUSE EXISTS TO GRANT THE MOTION ON AN EMERGENCY BASIS**

21 Bankruptcy Rule 6003 provides that "[e]xcept to the extent that relief is necessary to  
22 avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of  
23 the petition, grant . . . (b) a motion to use, sell, lease, or otherwise incur an obligation  
24 regarding property of the estate, including a motion to pay all or part of a claim that arose  
25 prior to the filing of the petition . . . ." Fed. R. Bankr. P. 6003(b). Similarly, unless the Court  
26 orders otherwise, Bankruptcy Rule 6004(a) requires the Debtor to provide 21 days' notice to  
27 all creditors and certain other parties in interest of the use of property outside of the ordinary  
28

1 course of business. *See* Fed. R. Bankr. P. 6004(a). Bankruptcy Rule 6004(h) automatically  
2 stays for 14 days any order authorizing the use, sale, or lease of property. *See* Fed. R. Bankr.  
3 P. 6004(h).

4 The relief requested in this Motion is necessary to avoid immediate and irreparable  
5 harm to the Debtor and its estate. If the Court does not grant this Motion on an emergency  
6 basis, the Debtor will be unable to timely make payments coming due within the next twenty-  
7 one days under the Insurance Policies and/or Premium Financing Agreements. If this  
8 happens, there is a risk that the Debtor's insurance coverage will lapse or costs for insurance  
9 may increase (or the Debtor would incur unnecessary costs to address the default), and the  
10 estate will be harmed. Upon loss of insurance, the Debtor may be in violation of state or  
11 federal laws, or not in compliance with the U.S. Trustee Guidelines, and its assets would be at  
12 risk to the detriment of its estate and creditors. Accordingly, there is cause to hear and grant  
13 this Motion on an emergency basis as permitted by Bankruptcy Rule 6003(b).

14 The Debtor requests that the Court enter an order providing that, to the extent  
15 applicable, notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) or such  
16 notice requirement is waived, and that the Debtor has established cause to exclude such relief  
17 from the 14-day stay period under Bankruptcy Rule 6004(h).

18  
19 **VIII. RESERVATION OF RIGHTS**

20 Nothing contained herein shall operate as a waiver of any of the Debtor's claims, rights  
21 or remedies. The Debtor hereby reserves any and all rights it may have with respect to any of  
22 the Insurance Policies or Premium Financing Agreements and the relief requested herein.

23 Without limiting the foregoing, the Debtor reserves the right to seek to modify the relief  
24 requested herein as may be necessary to facilitate the Case and Debtor's operations, or as may  
25 otherwise be necessary to comply with the requirements of any order entered in this Case.

26 Moreover, nothing contained herein or any actions taken pursuant to such relief requested is  
27 intended or shall be construed as: (i) an admission as to the validity, priority, or enforceability  
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1 of any claim against the Debtor or lien against the Debtor's property; (ii) a waiver of the  
2 Debtor's rights to dispute any claim on any grounds; (iii) a promise to pay any claim; or (iii)  
3 an approval or assumption of any agreement, contract, program, policy or lease (including any  
4 Insurance Policy or Premium Finance Agreement) under § 365 of the Bankruptcy Code (or  
5 otherwise affect the Debtor's rights under § 365 of the Bankruptcy Code to assume or reject  
6 any executory contract with any party). Likewise, if this Court grants the relief sought herein,  
7 any payment made pursuant to the Court's order is not intended and should not be construed  
8 as an admission to the validity of any claim or a waiver of the Debtor's rights to dispute such  
9 claim subsequently. Finally, the relief requested herein shall not oblige the Debtor to accept  
10 any services.

11  
12 **IX. CONCLUSION**

13 WHEREFORE, the Debtor respectfully requests that the Court enter an interim and  
14 final order granting the relief requested herein and such other and further relief as is just and  
15 proper.

16  
17  
18 DATED: October 18, 2024

**RAINES FELDMAN LITTRELL LLP**

19 By: /s/ Robert S. Marticello

20 ROBERT S. MARTICELLO

21 MICHAEL L. SIMON

22 Proposed Counsel for The Original Mowbray's  
23 Tree Service, Inc., *Debtor and Debtor-In-*  
24 *Possession*  
25  
26  
27  
28

**EXHIBIT "1"**

Policy Number	Effective	Expiration	Policy Description	ICO	Limits	Policy Billed Premium	Financed	Financed Amount	Remaining Monthly Payment	Notes
P0014-WF241929004C	3/31/2024	3/31/2025	24-25 Workers' Comp	Praetorian Insurance Co.	Statutory/ \$1,000,000 Employers Liab	\$1,487,046.89	N			Direct bill monthly based on injuries/payroll reporting
NBA100862100	1/2/2024	1/2/2025	24-25 Auto Physical Damage	Indian Harbor Insurance Co.	N/A	\$454,161.00	N			PAID IN FULL
NBA100862000	1/2/2024	1/2/2025	24-25 Auto Liability	Greenwich Insurance Co.	\$1,000,000	\$929,634.00	Y	\$316,779.87	\$42,522.84	PFA - First Insurance
92SRD317035	12/23/2023	12/23/2024	23-24 EX 5M (SMUD ONLY)	National Fire & Marine Insurance C	\$5,000,000	\$353,759.85	Y	Incl in next row	Incl in next row	PFA- First Insurance - Financed total both policies GL and EX \$1,331,741.30
92SRD327015	12/23/2023	12/23/2024	23-24 General Liability	National Fire & Marine Insurance C	\$5,000,000	\$977,940.04	Y	\$998,805.98	\$103,462.70	PFA- First Insurance - Financed total both policies GL and EX \$1,331,741.30 (Includes 5MM Professional, 5MM Pollution & 1MM Loggers )
C5050033893	12/22/2023	12/22/2024	23-24 Cyber 2M	Arch Specialty Insurance Co.	\$2,000,000	\$19,786.83	N			PAID IN FULL
NEC600636604	6/1/2024	1/2/2025	24 Auto Excess 4M	Greenwich Insurance Co.	\$4,000,000	\$253,940.00	Y	\$215,849.00	Incl in next row	PFA - IPFS - Financed Total both policies Auto and Excess Auto/Prop \$389,864.40
MXI93028033	6/1/2024	1/2/2025	24 IM Inland Marine/Equipment	AGCS Marine Insurance Co.	Value of Equipment Insured	\$204,724.00	Y	\$174,015.40	\$133,661.46	PFA - IPFS - Financed Total both policies Auto and Excess Auto/Prop \$389,864.40
TOTAL:						\$4,680,992.61				

**EXHIBIT "2"**

## IPFS Corporation of California

**COVERS:**

Policy	Policy Expiration	Description	ICO
NEC600636604	1/2/2025	24 Auto Excess 4M	Greenwich Insurance Co.
MXI93028033	1/2/2025	24 IM Inland Marine/Equipment	AGCS Marine Insurance Co.

CAP.PROCESSING@IPFS.COM  
3 HUTTON CENTRE DRIVE STE 630  
SANTA ANA, CA 92707  
(855)212-6850 FAX: (800)808-8784  
CUSTOMER SERVICE: (855)212-6850

**PREMIUM FINANCE AGREEMENT**  
**License # 973 9750**

**IPFS CORPORATION**  
**OF CALIFORNIA**

<b>A</b>	<b>CASH PRICE (TOTAL PREMIUMS)</b>	<b>\$458,664.00</b>
<b>B</b>	<b>CASH DOWN PAYMENT</b>	<b>\$68,799.60</b>
<b>C</b>	<b>PRINCIPAL BALANCE (A MINUS B)</b>	<b>\$389,864.40</b>

**AGENT**  
(Name & Place of business)  
ACRISURE SW PARTNERS INS SVCS  
LLC  
  
27174 NEWPORT RD STE 3  
  
MENIFEE, CA 92584-7384  
(951)246-4003 FAX:

**INSURED**  
(Name & Residence or business)  
THE ORIGINAL MOWBRAY'S  
TREE SERVICE, INC.  
686 E MILL ST FL 2  
  
SAN BERNARDINO, CA 92408-1610  
(951)396-3430  
mrios@mowbrays.com

Account #: \_\_\_\_\_

**LOAN DISCLOSURE**  
Additional Policies Scheduled on Page 3

Commercial  
Quote Number: 26584284

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.	<b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.	<b>TOTAL OF PAYMENTS</b> The amount you will have paid after you have made all payments as scheduled
9.740%	\$11,149.98	\$389,864.40	\$401,014.38

**YOUR PAYMENT SCHEDULE WILL BE**

Number Of Payments	Amount Of Payments	When Payments Are Due
6	\$66,835.73	Beginning: MONTHLY 07/01/2024

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

**Security:** Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

**Late Charges:** A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

**Prepayment:** If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed as provided in Sec. 18635, California Statute or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$25.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	06/01/2024	AGCS MARINE INSURANCE CO	INLAND MARINE	25.00%	7	204,724.00
				Broker Fee:		\$0.00
				<b>TOTAL:</b>		<b>\$458,664.00</b>

## FIRST Insurance Funding

### COVERS:

Policy	Policy Expiration	Description	ICO
	1/2/2025	24-25 Auto Liability	Greenwich Insurance Co.

**LENDER:**  
FIRST Insurance Funding  
450 Skokie Blvd, Ste 1000  
Northbrook, IL, 60062-7917  
P:(800) 837-3707, F:(800) 837-3709

### PREMIUM FINANCE AGREEMENT

☐ Personal ☒ Commercial ☒ Additional Premium

Stetson Insurance Funding, LLC  
10150 York Road, Fifth Floor  
Hunt Valley, MD, 21030  
P: (866) 373-3866



Additional Premium Quote #: 62538541

<b>INSURED/BORROWER</b> (Name and Address as shown on Policy) The Original Mowbray's Tree Service Inc. 1845 Business Center Dr San Bernardino, CA 92408-3467	Customer ID: N/A	<b>AGENT or BROKER</b> (Name and Business Address) Leo Rodriguez Insurance Agency Acrisure of California, LLC 27174 Newport Road Ste 3 Menifee, CA 92584	AGT58534
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### LOAN DISCLOSURE

Total Premiums, Taxes, and Fees	Down Payment	Unpaid Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
316,779.87	31,678.00	285,101.87	0.00	285,101.87	12,558.01	297,659.88	7.750 %

**YOUR PAYMENT SCHEDULE WILL BE:** Mail Payments to: FIRST Insurance Funding, PO Box 7000, Carol Stream, IL 60197-7000

Number of Payments	Amount of Each Payment	First Installment Due	4/23/2024
7	42,522.84	Installment Due Dates	23rd (Monthly)

Certain information contained in the Loan Disclosure section may change in accordance with Section 19 of this Agreement.

#### INSURED'S AGREEMENT:

- SECURITY INTEREST.** INSURED/BORROWER ("Insured") grants and assigns FIRST Insurance Funding, A Division of Lake Forest Bank & Trust Company, N.A. ("LENDER") a first priority lien on and security interest in the financed policies and any additional premium required under the financed policies listed in the Schedule of Policies, including (a) all returned or unearned premiums, (b) all additional cash contributions or collateral amounts assessed by the insurance companies in relation to the financed policies and financed by LENDER hereunder, (c) any credits generated by the financed policies, (d) dividend payments, and (e) loss payments which reduce unearned premiums (collectively, the "Financed Policies"). If any circumstances exist in which premiums related to any Financed Policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.
- FINANCE CHARGE.** The finance charge begins accruing on the earliest effective date of the Financed Policies. The finance charge is computed using a 365-day calendar year.
- LATE PAYMENT.** For commercial loans, a late charge will be assessed on any installment at least 5 days in default, and the late charge will equal 5% of the delinquent installment or the maximum late charge permitted by law, whichever is less. For personal loans, a late charge will be assessed on any installment 10 days in default, and the late charge will be the lesser of \$10 or 5% of the delinquent installment.
- PREPAYMENT.** If Insured prepays the loan in full, Insured is entitled to a refund of the unearned finance charge computed according to the Rule of 78s.

#### SCHEDULE OF POLICIES

Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
NBA100862000	C00425-GREENWICH INSURANCE CO G04288-NIP SPECIALTY BROKERAGE, LLC [CX:30] [FI, PR] A/F [285,101.87]	AUTO	12	1/2/2024 ERN TXS/FEEES FIN TXS/FEEES	316,779.87 0.00 0.00
TOTAL					316,779.87



## FIRST Insurance Funding

### COVERS:

Policy	Policy Expiration	Description	ICO
92SRD317035	12/23/2024	23-24 EX 5M (SMUD ONLY)	National Fire & Marine Insurance Co.
92SRD327015	12/23/2023	23-24 General Liability	National Fire & Marine Insurance Co.

#### LENDER:

FIRST Insurance Funding  
450 Skokie Blvd, Ste 1000  
Northbrook, IL, 60062-7917  
P:(800) 837-3707, F:(800) 837-3709

#### PREMIUM FINANCE AGREEMENT

☐ Personal ☒ Commercial ☐ Additional Premium

Stetson Insurance Funding, LLC  
10150 York Road, Fifth Floor  
Hunt Valley, MD, 21030  
P: (866) 373-3866



Quote #: 58315003

<b>INSURED/BORROWER</b> (Name and Address as shown on Policy) The Original Mowbray's Tree Service Inc. 1845 Business Center Dr San Bernardino, CA 92408-3467	Customer ID: N/A	<b>AGENT or BROKER</b> (Name and Business Address) Leo Rodriguez Insurance Agency Acrisure of California, LLC 27174 Newport Road Ste 3 Menifee, CA 92584	AGT58534
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#### LOAN DISCLOSURE

Total Premiums, Taxes, and Fees	Down Payment	Unpaid Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
1,331,741.30	332,935.32	998,805.98	0.00	998,805.98	35,821.02	1,034,627.00	7.750 %

**YOUR PAYMENT SCHEDULE WILL BE:** Mail Payments to: FIRST Insurance Funding, PO Box 7000, Carol Stream, IL 60197-7000

Number of Payments	Amount of Each Payment	First Installment Due	1/23/2024
10	103,462.70	Installment Due Dates	23rd (Monthly)

Certain information contained in the Loan Disclosure section may change in accordance with Section 19 of this Agreement.

#### INSURED'S AGREEMENT:

**1. SECURITY INTEREST.** INSURED/BORROWER ("Insured") grants and assigns FIRST Insurance Funding, A Division of Lake Forest Bank & Trust Company, N.A. ("LENDER") a first priority lien on and security interest in the financed policies and any additional premium required under the financed policies listed in the Schedule of Policies, including (a) all returned or unearned premiums, (b) all additional cash contributions or collateral amounts assessed by the insurance companies in relation to the financed policies and financed by LENDER hereunder, (c) any credits generated by the financed policies, (d) dividend payments, and (e) loss payments which reduce unearned premiums (collectively, the "Financed Policies"). If any circumstances exist in which premiums related to any Financed Policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.

**2. FINANCE CHARGE.** The finance charge begins accruing on the earliest effective date of the Financed Policies. The finance charge is computed using a 365-day calendar year.

**3. LATE PAYMENT.** For commercial loans, a late charge will be assessed on any installment at least 5 days in default, and the late charge will equal 5% of the delinquent installment or the maximum late charge permitted by law, whichever is less. For personal loans, a late charge will be assessed on any installment 10 days in default, and the late charge will be the lesser of \$10 or 5% of the delinquent installment.

**4. PREPAYMENT.** If Insured prepays the loan in full, Insured is entitled to a refund of the unearned finance charge computed according to the Rule of 78s.

#### SCHEDULE OF POLICIES

Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
TBD	C00358-NATIONAL FIRE INS HARTFORD [ME:35.000 %, CX:0] [PR] A/F [733,485.99]	GL	12	12/23/2023 ERN TXS/FEEES FIN TXS/FEEES	947,840.00 0.00 30,141.31
TBD	C00358-NATIONAL FIRE INS HARTFORD [ME:35.000 %, CX:0] [PR] A/F [265,319.99]	GL	12	12/23/2023 ERN TXS/FEEES FIN TXS/FEEES	342,857.14 0.00 10,902.85
				TOTAL	1,331,741.30

## WORKERS COMP

Policy	Effective Date	Expiration Date	ICO
P0014-WF241929004C	3/31/2024	3/31/2025	Praetorian Insurance Company

The Original Mowbray's Tree Service, Inc.

## Workers' Compensation

Issuing Company	Policy Term
Praetorian Insurance Company	3/31/2024 to 3/31/2025

### Named Insured(s)

First Named Insured
The Original Mowbray's Tree Service, Inc.

### Locations

Loc #	Address
1	686 E. Mill Street 2nd Floor, San Bernardino, CA 92408
2	171 S. Waterman Avenue, San Bernardino, CA 92408
3	17332 Millwood Rd, Visalia, CA 92392
4	10240 Palm River Rd, Tampa, FL 33619
5	116 Wagon Tie Ln, Garner, NC 27529

### Coverage Detail

Workers' Compensation and Employers Liability	Limit
Each Accident	\$1,000,000
Disease – Policy Limit	\$1,000,000
Disease – Each Employee	\$1,000,000

Loc #	Classification	State	Code	Payroll	Rate w/XMOD &Taxes
1	Clerical	CA	8810	\$1,279,066.00	\$0.37
1	Tree Trimming	CA	0106	\$9,023,111.00	\$16.31
1	Landscape Gardening - If Any	CA	0042	\$0.00	\$8.78
2	Outside Salespersons	CA	8742	\$789,122.00	\$0.50
4	Tree Pruning	FL	0106	\$1,895,331.00	\$4.83
4	Clerical	FL	8810	\$102,000.00	\$0.10
5	Tree Pruning	NC	0106	\$100	\$10.42

State		
CA	Experience or Merit Modification (0.82000)	
FL	Experience or Merit Modification (0.76000)	
NC	Experience or Merit Modification (0.92000)	

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

**3200 Park Center Drive, Suite 250, Costa Mesa, CA 92626**

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S EMERGENCY MOTION FOR ORDER AUTHORIZING DEBTOR TO CONTINUE INSURANCE PROGRAMS, HONOR TERMS OF PREMIUM FINANCING AGREEMENTS, SATISFY RELATED PRE-PETITION OBLIGATIONS AND GRANTING RELATED RELIEF; AND MEMORANDUM OF POINTS AND AUTHORITIES** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **10/18/2024**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Robert S Marticello** rmarticello@raineslaw.com, bclark@raineslaw.com;jfisher@raineslaw.com
- **United States Trustee (SA)** ustpreion16.sa.ecf@usdoj.gov

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **10/18/2024**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **10/18/2024**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

**10/18/2024**  
Date

Ja'Nita Fisher  
Printed Name

/s/ Ja'Nita Fisher  
Signature